

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 EURE-00 CIAE-00 DODE-00 PM-03 H-01

INR-05 L-02 NSAE-00 NSC-05 PA-01 RSC-01 PRS-01 SP-02

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FM AMEMBASSY BERLIN

TO SECSTATE WASHDC PRIORITY 115

INFO USMISSION USBERLIN UNN

AMEMBASSY BONN

AMEMBASSY LONDON

AMEMBASSY MOSCOW

USMISSION NATO

AMEMBASSY PARIS

C O N F I D E N T I A L BERLIN 6124

E.O. 11652: GDS

TAGS: EFIN, PFOR, GW, GE, US

SUBJ: GAUS-HONECKER MEETING AND GDR MANDATORY EXCHANGE
REQUIREMENTS

REF: USBERLIN 2161

1. FRG PERMANENT REPRESENTATIVE IN EAST BERLIN, GUENTER GAUS,
MET WITH SED FIRST SECRETARY ERICH HONECKER ON MORNING
OF DECEMBER 4. THE MEETING, WHICH LASTED 75 MINUTES, WAS
SET LESS THAN 24 HOURS EARLIER AT HONECKER'S REQUEST.
(BOTH THE WEST BERLIN PRESS AND NEUES DEUTSCHLAND
ON NOVEMBER 5 MENTIONED THE MEETING IN BRIEF FRONT PAGE STORIES.)
GAUS AT SOCIAL FUNCTION IN EAST BERLIN LATER SAME DAY INFORMED
EMBASSY OFFICER THAT HE WAS "VERY HOPEFUL" THAT THE GDR
WOULD ACT IN THE NEXT TEN DAYS OR SO TO EXEMPT
PENSIONERS FROM HE MANDATORY EXCHANGE REQUIREMENT. HE
GAVE NO GROUNDS FOR HIS OPTIMISM BUT CAUTIONED THAT THE
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IMMEDIATE FUTURE WOULD BE CRITICAL. ALLUDING TO THE

DISPUTE IN SED COUNCILS (REFTEL), GAUS SAID THAT THE EXEMPTION FOR PENSIONERS WOULD BE FORTHCOMING NOW IF AT ALL AND, IF NOT, THE STATUS QUO WOULD BE FROZEN FOR THE FORESEEABLE FUTURE. IN RESPONSE TO A QUESTION, GAUS SAID FLATLY THAT THE GDR WOULD NOT RETURN TO THE STATUS QUO ANTE (PRE-NOVEMBER 15, 1973). CONSIDERING INFLATIONARY TRENDS IN THE WEST, HE FELT THAT THE PRESENT MANDATORY EXCHANGE REQUIREMENT LEVELS WORK NO REAL HARDSHIP ON GAINFULLY EMPLOYED INDIVIDUALS.

2. GAUS BELIEVED GDR INTEREST IN AN EXTENSION OF THE PRESENT LIBERAL IGT SWING CREDIT REGIME TO BE THE PRIME CAUSE OF ANY EAST GERMAN FLEXIBILITY WHICH EXISTED ON THE MANDATORY EXCHANGE QUESTION. THE EAST GERMANS REPORTEDLY NOT ONLY WANT THE VOLUME OF THE SWING CREDIT EXPANDED BUT THEY WISH IT EXTENDED FOR A "LONGER PERIOD."

3. HONECKER REPORTEDLY COMMENTED ON THE ARRIVAL IN EAST BERLIN ON DECEMBER 3 OF AMBASSADOR COOPER, EXPRESSING SATISFACTION AT THIS DEVELOPMENT AND THE POSITIVE TONE OF THE AMBASSADOR'S ARRIVAL REMARKS AT SCHOENEFELD AIRPORT.

4. ACCORDING TO GAUS, THIS WAS HIS THIRD MEETING WITH HONECKER. TWO, INCLUDING THE LATEST, HAVE BEEN PRIVATE WITH NO ONE ELSE PRESENT: THE THIRD MEETING OCCURRED AT THE SEPTEMBER 1974 LEIPZIG FAIR. GAUS SAID HE FOUND HONECKER WELL-INFORMED (ESPECIALLY ON INTERNATIONAL AFFAIRS), ARTICULATE, AND SELF-ASSURED. GAUS DESCRIBED AS CORDIAL AND RELAXED THE ATMOSPHERE OF HIS MOST RECENT MEETING WITH HONECKER. GOOPER

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